

PORTUGAL TELECOM SGPS SA
Form 6-K
August 10, 2010

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934**

For the month of August 2010

Commission File Number 1-13758

PORTUGAL TELECOM, SGPS, S.A.

(Exact name of registrant as specified in its charter)

**Av. Fontes Pereira de Melo, 40
1069 - 300 Lisboa, Portugal**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Announcement | Lisbon | 9 August 2010

Qualified Holding

Portugal Telecom, SGPS S.A. (PT) informs that TPG-Axon Capital Management, LP (the Management Company) now holds more than 5% of the voting rights corresponding to the share capital of PT.

Such new holding resulted from the following acquisitions and transfers:

(i) On 28 July 2010, the following PT ordinary shares were transferred to TPG-Axon (Luxembourg), S.à r.l (the Luxembourg Company), through OTC transactions: 25,707,679 PT ordinary shares, by TPG-Axon Partners (Offshore), Ltd (the Offshore Fund), and 15,804,911 PT ordinary shares, by TPG-Axon Partners, LP (the Onshore Fund);

(ii) On 29 July 2010, the following PT ordinary shares were acquired on regulated market: 2,127,320 PT ordinary shares, by the Offshore Fund, and 1,360,090 PT ordinary shares, by the Onshore Fund;

(iii) On 30 July 2010, the following PT ordinary shares were transferred to the Luxembourg Company, through OTC transactions: 2,127,320 PT ordinary shares, by the Offshore Fund, and 1,360,090 PT ordinary shares, by the Onshore Fund.

As a result of such transactions, a qualified holding corresponding to 45,000,000 ordinary shares representing 5.02% of the share capital and voting rights in PT is held by the Luxembourg Company. Such qualified holding is attributed to the Management Company, which is (together with the Luxembourg Company) in a control relationship with Mr. Dinakar Sing, an individual resident in New York, New York, United States of America, all as follows.

The Luxembourg Company is managed by the Management Company and TPG-Axon GP, LLC is the general partner of the Management Company. Additionally, the managing member of TPG-Axon GP, LLC is Dinakar Singh LLC, which is held and controlled by Mr. Dinakar Singh.

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This statement is pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code, following a communication received from TPG-Axon Capital Management, LP, with registered office in New York, New York, United States of America.

Portugal Telecom, SGPS, SA	Public company	Portugal Telecom is listed on the Euronext and New York Stock Exchange. Information may be accessed on the Reuters under the symbols PTC.LS and PT and on Bloomberg under the symbol PTC PL.	Nuno Vieira
Avenida Fontes Pereira de Melo, 40	Share capital Euro 26,895,375		Investor Relations Director
1069-300 Lisbon	Registered in the Commercial Registry Office of Lisbon		nuno.t.vieira@telecom.pt
Portugal	and Corporation no. 503 215 058		Tel.: +351 21 500 1701
			Fax: +351 21 500 0800

www.telecom.pt

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 9, 2010

PORTUGAL TELECOM, SGPS, S.A.

By: /s/ Nuno Vieira
Nuno Vieira
Investor Relations Director

FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words anticipates, believes, estimates, expects, plans and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.